



## EU Budget Proposals Pre-briefing: Life+ and Nature/Biodiversity

### What does the budget consist of at present?

The LIFE programme is the EU's only dedicated environment fund. It aims to contribute to the implementation, updating and development of Community environment policy and legislation, in particular contributing to the integration of the environment into other policies and to sustainable development in the Community. The current phase of the programme, LIFE+, runs from 2007-2013 and has a reference budget of **€2.143 billion**. The three types of intervention include operating grants for environmental non-governmental organisations (representing 3 per cent of the budget), public procurement contracts (19 per cent of the budget), and action grants to co-finance the implementation of projects at the Member State level (78 per cent of the budget). The LIFE+ programme supports projects under three thematic components: LIFE+ Nature and Biodiversity, LIFE+ Environment Policy and Governance, and LIFE+ Information and Communication. Approximately €800 million out of the roughly €1.6 billion action grants are ring-fenced for LIFE+ Nature and Biodiversity, representing nearly 35% of the overall budget.

### What are the main strengths and weaknesses?

*Weaknesses:* The **budget** of the programme is very **small**, compared to other EU financing instruments overall. It thus does not attempt to directly tackle environmental problems such as biodiversity loss, but focuses on innovative and best practice approaches, the effectiveness of which might be questioned in light of the scale of the problem. In many cases integration into other EU financing instruments has been inadequate, with funding lacking in many areas, e.g. on the implementation of the Natura 2000 network.

The LIFE programme is designed to be **highly selective**, only co-financing activities that are not eligible for funding under other Community instruments in order to avoid duplication. This limits to its leverage effect and hampers its potential in fostering integration into other policy areas.

Despite its limited budget and its selectivity, the programme aims to contribute to the implementation of the entire environmental *acquis*. As a result its activities are spread across a **wide variety of themes**.

*Strengths:* Many of the best practice and demonstration projects supported by the instrument have had a strong **catalytic effect**, and resulted in some successes in mainstreaming environmental concerns into other policy areas (e.g., agri-environment schemes and biodiversity).

The instrument offers opportunities and funding allocations that are **clearly targeted** and **earmarked** for financing environmental issues, in particular on nature conservation and biodiversity. This is very often lacking as regards the funding of the environment in other EU financing instruments. It has also managed to avoid environmental issues being treated in isolation, taking into account their **interdependency**.

### **What are the five key things to look out for in the new proposals?**

*1. Does a specific fund for the environment still exist?*

Although LIFE is the only dedicated fund for environment and biodiversity, it has been open to a great deal of criticism particularly from the Secretary General regarding its added value in light of other EU financing instruments. Its future is not at all guaranteed.

*2. Compared with the present, what does the proposed budget look like?*

DG Environment has been arguing for an overall increase in the LIFE budget but it may not have succeeded.

*3. Have there been changes in the thematic focus?*

Even if the overall budget has been increased, this may be due to the addition of climate change as a major new component of the fund, something that has been strongly argued for by DG Clima.

*4. What if any space is given to nature/biodiversity in the 'old' environment component?*

With enormous investment needs for climate change and consistent lobbying from NGOs, the final allocation for the 'old' environment and particularly the biodiversity themes may well be squeezed.

*5. Have there been changes in the mechanisms applied?*

Little information on the content of the different funds is expected at this stage. However, there have been several suggestions on changes to the LIFE mechanisms. The development of integrated projects supported also by other EU funding instruments, and the use of innovative financing mechanisms such as loans blended with technical assistance are the most prominent ones.

*6. How has nature and biodiversity been addressed in the context of other EU financing instruments?*

Independent from the further existence of a specific financing instrument for the environment, other financing instruments will play a crucial role in ensuring that biodiversity targets are met.

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